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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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06/08/2001

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EXAMINER

JACOBS, LASHONDA T

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.



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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/877,596
Filing Date: June 08, 2001
Appellant(s): SCHWAB ET AL.

John G. Posa
(Reg. No. 37,424)
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed May 6, 2008 appealing from the Office action mailed October 5, 2005.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

20010027527	Khidekel et al	10-2001
20010051902	Messner	12-2001

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

DETAILED ACTION

Response to Amendment

This is a Final Office Action in response to Applicant's Amendment filed on December 3, 2004.

Claims 1-12 are pending.

Affidavits, Declarations

1. The affidavit filed on December 3, 2004 under 37 CFR 1.131 has been considered but is ineffective to overcome the Khidekel et al reference.
2. First, the affidavit has been improperly executed under MPEP 715.04 (II). An affidavit is a statement in writing made under oath before a notary public, magistrate, or officer authorized to administer oaths. See MPEP § 604 through § 604.06 for additional information regarding formal requirements of affidavits. In addition, all the inventors of the subject matter claimed must file an affidavit or declaration under 37 CFR 1.131. (MPEP 715.04).
3. The Applicant's declaration fails to prove conception of the invention prior to the date of February 23, 2001 (the filing date for Khidekel et al.). Conception "is more than a mere vague idea of how to solve a problem; the means themselves and their interaction must be comprehended also." (MPEP 715.07 III) The affidavit and accompanying evidence "amounts essentially to mere pleading, unsupported by proof or a showing of facts." *In re Borkowski*, 505F.2d 713, 184 USPQ 29 (CCPA 1974).
4. Specifically, applicant's affidavit is deficient relating to establishment of prior invention on several levels. First, it is not clear if applicant is trying to prove conception or a reduction to

practice prior to the critical date. Applicant's statement could be interpreted as applicant's attempt to prove reduction to practice through use of a written description for the invention. However, a written description does not automatically qualify as proof of reduction to practice.

5. The exhibit relied upon has not been specifically referred to in the affidavit "in terms of what it is relied upon to show." (MPEP 715.07 I) Applicant's affidavit fails "to clearly explain which facts or data applicant is relying on to show completion of his or her invention prior to the particular date" (MPEP 715.07 I) and has left it to the examiner to make the appropriate conclusions. Applicant should relate a discussion of evidence provided to the instant claims in the affidavit or declaration provided. The examiner has looked at the accompanying exhibit and it might support applicant's contention of conception if applicant provides a properly executed affidavit which meets applicant's burden set forth in the sections cited above.

6. While the affidavit fails to prove conception, in the interest of compact prosecution, the examiner will now briefly review the evidence for proof of reduction to practice. Applicant's document entitled "method for Secure Transactions Utilizing Physically Separated Computers" was NOT "reduced to writing" prior to the date of the Khidekel et al reference filing date. Even if the applicants were to provide correspondence between the claimed invention and the evidence provided on the provisional application filed June 6, 2000 in a properly executed affidavit it appears the evidence would pre-date the effective filing date of the reference to Khidekel. Note, applicant's provisional application filed on February 25, 2000. Therefore, the examiner considers the date for reduction to practice to be the filing date for the invention: June 8, 2001 pending the submission of further evidence by applicant. Applicant is reminded that if eventual proof of conception is made to a date prior to the Khidekel et al. reference filing date, that

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applicant will then need to show due diligence to a subsequent (actual or constructive) reduction to practice date.

7. Again applicants have made only a general allegation of diligence and no portion of the exhibit appears to address the matter. Applicant should review the guidelines for “Reasonable Diligence” found in MPEP 715.07 (a) and 2138.06. Any statements should be accompanied by showings, not just pleadings (i.e. date memos, emails, etc.).

8. Examiner would like to make note of the cited pertinent art not relied upon could have been applied to the claims even if the affidavit was acceptable. The references have an earlier date that is considered to be pertinent to the instant application.

Claim Rejections - 35 USC § 102

13. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

14. Claims **1-4** and **7-12** are rejected under 35 U.S.C. 102(e) as being anticipated by

Khidekel et al (hereinafter, “Khidekel, 2001/0027527).

As per claim **1**, Khidekel discloses a secure transaction method, comprising the steps of:

- establishing an electronically accessible verification site authorized by the holder of a credit or debit card (paragraphs 0019, 0020, 0023 and 0025);

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- receiving a request for goods or services at a merchant location using a credit or debit card, but wherein the card is not physically presented to the merchant (paragraphs 0028-0029); and
- accessing the verification site by the merchant to determine whether the request for goods or services is legitimate ((paragraphs 0019, 0020, 0023 and 0025) .

As per claim **2**, Khidekel discloses:

- wherein the site is a an electronic mail account (paragraph 0025).

As per claim **3**, Khidekel discloses:

- wherein the account was established by the merchant (paragraphs 0020 and 0025).

As per claim **4**, Khidekel discloses:

- wherein the authorization message is sent from the site to the merchant in response to the step if accessing the verification site by merchant (paragraphs 0020 and 0039).

As per claim **7**, Khidekel discloses:

- wherein request for goods or services, the step of accessing the verification site, the authorization message, or any combination thereof, are encrypted (abstract and paragraph 0034).

As per claim **8**, Khidekel discloses:

- wherein the encryption is implemented using an algorithm specific to the holder or an authorized user of the card.

As per claim **9**, Khidekel discloses:

- wherein the goods or services, the step of accessing the verification site, the authorization message, or any combination thereof, including routing information (paragraph 0023).

As per claim **10**, Khidekel discloses:

- wherein the step of accessing the verification site by the merchant causes an icon or window to appear in a web browser (paragraphs 0025-0026).

As per claim **11**, Khidekel discloses:

- wherein the verification site is wirelessly accessible (paragraph 0019).

As per claim **12**, Khidekel discloses:

- wherein the site is accessible through a cellular telephone, personal digital assistant, or other mobile device (paragraph 0019).

Claim Rejections - 35 USC § 103

15. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

16. Claims **5** and **6** are rejected under 35 U.S.C. 103(a) as being unpatentable over Khidekel in view of Messner.

As per claim **5**, Khidekel discloses the invention substantially as claims discussed above.

However, Khidekel does not explicitly disclose:

- wherein the authorization message is automatically generated.

In an analogous art, Messner discloses a method for performing secure Internet transactions including:

- wherein the authorization message is automatically generated (paragraphs 0064 and 0077).

Given the teaching of Messner, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Khidekel by generating an authorization packet that includes biometric information for approving a transaction securely over a network.

As per claim 6, Khidekel discloses the invention substantially as claims discussed above.

However, Khidekel does not explicitly disclose:

- wherein the authorization message is manually generated within a predetermined period of time.

Given the teaching of Messner, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Khidekel by manually generating an authorization packet that includes biometric information for approving a transaction securely over a network.

(10) Response to Argument

a. Applicants' argue that the invention was conceived at least five days (February 20, 2000) prior to the provisional filing date (February 25, 2000) of Khidekel et al in which Khidekel does not constitute as prior art [Appeal Brief pages 2 and 3].

In response, Applicants' argument is not persuasive

The Applicants' declaration fails to prove conception of the invention prior to the date of February 23, 2001 (the filing date for Khidekel et al.). Conception "is more than a mere vague idea of how to solve a problem; the means themselves and their interaction must be

comprehended also.” (MPEP 715.07 III) The affidavit and accompanying evidence “amounts essentially to mere pleading, unsupported by proof or a showing of facts.” *In re Borkowski*, 505F.2d 713, 184 USPQ 29 (CCPA 1974).

Specifically, applicant’s affidavit is deficient relating to establishment of prior invention on several levels. First, it is not clear if applicant is trying to prove conception or a reduction to practice prior to the critical date. Applicant’s statement could be interpreted as applicant’s attempt to prove reduction to practice through use of a written description for the invention. However, a written description does not automatically qualify as proof of reduction to practice. The exhibit relied upon has not been specifically referred to in the affidavit “in terms of what it is relied upon to show.” (MPEP 715.07 I) Applicant’s affidavit fails “to clearly explain which facts or data applicant is relying on to show completion of his or her invention prior to the particular date” (MPEP 715.07 I) and has left it to the examiner to make the appropriate conclusions. Applicant should relate a discussion of evidence provided to the instant claims in the affidavit or declaration provided. The examiner has looked at the accompanying exhibit and it might support applicant’s contention of conception if applicant provides a properly executed affidavit which meets applicant’s burden set forth in the sections cited above. While the affidavit fails to prove conception, in the interest of compact prosecution, the examiner will now briefly review the evidence for proof of reduction to practice. Applicant’s document entitled “method for Secure Transactions Utilizing Physically Separated Computers” was NOT “reduced to writing” prior to the date of the Khidekel et al reference filing date. Even if the applicants were to provide correspondence between the claimed invention and the evidence provided on the provisional application filed June 6, 2000 in a properly executed affidavit it appears the evidence

would pre-date the effective filing date of the reference to Khidekel. Note applicant's provisional application filed on February 25, 2000. Therefore, the examiner considers the date for reduction to practice to be the filing date for the invention: June 8, 2001 pending the submission of further evidence by applicant.

Applicant is reminded that if eventual proof of conception is made to a date prior to the Khidekel et al. reference filing date, that applicant will then need to show due diligence to a subsequent (actual or constructive) reduction to practice date. Again applicants have made only a general allegation of diligence and no portion of the exhibit appears to address the matter. Applicant should review the guidelines for "Reasonable Diligence" found in MPEP 715.07 (a) and 2138.06. Any statements should be accompanied by showings, not just pleadings (i.e. date memos, emails, etc.). Therefore, the Khidekel is prior art.

8. (11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/LaShonda T Jacobs/

Primary Examiner, Art Unit 2157

Conferees:

Ario Etienne

/Ario Etienne/

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